

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**CLERK'S OFFICE**

**NOTICE OF ORAL ARGUMENTS**

**DOCKET NO. 2017-292-WS**

**Application of Carolina Water Service, Inc. (n/k/a Blue Granite Water Company) for Approval of an Increase in Its Rates for Water and Sewer Services**

During the Public Service Commission's (Commission) regularly scheduled Commission Business Meeting on June 19, 2019, the Commissioners unanimously approved the following motion as set forth in Commission Order 2019-623:

This matter comes before the Public Service Commission of South Carolina ("Commission") on the Petition for Rehearing and Reconsideration of Commission Order No. 2018-802 filed by Blue Granite Water Company, f/k/a Carolina Water Service, Inc. ("Blue Granite" or "Company"). Blue Granite asserts that the Commission erred as follows: (1) Blue Granite represents that the basis for the Commission's ruling on recovery of litigation expenses for the Riverkeeper case was different from the basis upon which the Commission granted rehearing on that issue in Order No. 2018-494, in violation of the Administrative Procedures Act and the South Carolina and United States Constitutions. (2) Blue Granite asserts that this Commission earlier granted rehearing in order to determine the reasonableness of the utility's attorneys' fees in the case, but not the separate question of whether the expenses were reasonable and necessary to the provision by CWS of utility services to its customers. The Company argues that the Commission erred as a matter of law in denying the Riverkeeper litigation expenses, which it characterizes as prudent, reasonable, unavoidable, and beneficial to ratepayers. (3) Blue Granite maintains that the Commission erred by not ordering the Company to account for the Riverkeeper litigation expenses in a regulatory asset to be considered in a future rate case after the resolution of the litigation. Subsequent to the issuance of Order No. 2018-802, the Riverkeeper case was settled, and Blue Granite has filed copies of the Settlement Agreement and Consent Order and Final Judgment as exhibits appended to its Supplemental Memorandum in Support of Petition for Rehearing or Reconsideration.

The Company has filed a Supplemental Memorandum in Support of its Petition for Rehearing and Reconsideration, and with it has submitted two Exhibits which deal directly with the Riverkeeper litigation that is the subject of its Petition. The Company asserts that it may provide such additional evidence pursuant to 58-5-330, which allows the Commission upon an application for rehearing to consider all the facts, including those arising since the making of the order.

In correspondence dated June 24, 2019, counsel for Blue Granite informed the Commission that the parties had agreed that an additional evidentiary hearing would not be necessary and suggested that oral arguments addressing the Company's request for recovery of the litigation expenses in dispute, followed by the submission of proposed orders to the Commission, would suffice. Accordingly, the Commission granted rehearing on the issues raised in the petition to consider all the facts and evidence, including the materials relating to the settlement entered subsequent to the entry of Order No. 2018-802.

**If the Application or Petition in this case contains a request for adjustment of rates, the rates are subject to potential modification by the Commission during the course of this case.**

**PLEASE TAKE NOTICE** that pursuant to Commission Order No. 2019-623, Oral Arguments in the above-named docket are scheduled to begin on **Monday, October 7, 2019, at 10:00 a.m.**, before the Commission in the Commission's Hearing Room at 101 Executive Center Drive, Suite 100, Saluda Building, Columbia, South Carolina 29210.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at [www.psc.sc.gov](http://www.psc.sc.gov).

9/12/19